

## DEPARTMENT OF SOCIAL SERVICES



October 5, 1978

ALL-COUNTY LETTER NO. 78-45

TO: All County Welfare Directors

SUBJECT: FY 78/79 COST CONTROL PLAN

REFERENCE:

Attached is the finalized Cost Control Plan for FY 78/79. This revised copy supersedes the draft plan submitted with the Cost Control Budgeting Questionnaire. The final plan includes the changes previously stated in the draft version. Positive and negative caseload adjustments will not be applied to quality control and direct staff. The remainder of the eligibility worker staffing sanctions will be applied in the Nonassistance Food Stamp Program (NAFS). However, the final plan does not apply further sanctions above and beyond those set in FY 77/78 for support areas. A provision has been added for merit salary adjustments.

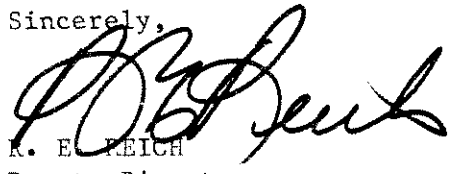
Additionally, there are two new changes in the final plan as a result of the enactment of Senate Bill 154, Chapter 292/1978.

1. For FY 78/79 the state share for AFDC and NAFS administrative costs will be equal to 100 percent of the nonfederal share up to the allocations.
2. There will be no cost-of-living adjustments for salaries; however, benefits will be covered subject to funding availability.

The FY 78/79 cost control plan reflects input from county representatives, and Department of Social Services' program and fiscal staff. Adjustments to the plan have been incorporated, when possible, in an attempt to meet concerns expressed by the counties.

If you have any questions regarding this plan, please contact the County Administrative Expense Control Bureau at (916) 322-5802.

Sincerely,

  
R. E. REICH  
Deputy Director  
Administration Division

Attachment

A PLAN FOR CONTROLLING COUNTY  
ADMINISTRATIVE COSTS FOR FY 78/79

I. Requirement for Cost Control

- A. Cost control was initiated for FY 75/76 based on a mandate contained in Item 291 of the Budget Act. Control efforts were continued in FY 76/77 and FY 77/78 in conjunction with Items 305 and 265, respectively.
- B. The mandate for cost control will be continued for FY 78/79 based on the budget language in Item 276.

Minor changes have been incorporated into FY 78/79 cost control but the basic framework of the plan remains unchanged.

II. Cost Control for AFDC Administration

A. Types of Expenditures

- 1. Salaries and employee benefits of eligibility workers and their supervisors represent approximately 47 percent of total costs.
- 2. Salaries and employee benefits of clerical and administrative support staff represent approximately 31 percent of total costs.
- 3. Operating Costs (space, equipment, utilities, EDP, etc.) represent approximately 19 percent of total costs.
- 4. Direct Cost (fraud investigators and disability exams) represent approximately three percent of total costs.

[Controls applied to items 2 and 3 will be addressed in the Support Section to follow.]

B. Workload

- 1. Intake actions per worker - this represents the number of actions (approvals, intercounty transfers, interprogram transfers, denials, BHI restorations) that an intake worker completes during the month.
- 2. Cases per worker - this represents the number of cases (received a grant, zero grant, etc.) for which a continuing worker is responsible during the month.

In order to obtain comparable fiscal and statistical data on a state-wide and county grouping basis, it is necessary to include specialized function workers within the group of regular workers for the computation of county workload measures. The following list includes, but does not limit, the specialized workers who may perform eligibility functions but do not directly carry a caseload.

- a. Budget Clerks
- b. Overpayments Units
- c. Earnings Clearance Units
- d. Fair Hearings
- e. Reinvestigations

C. Specific Cost Control Application

1. Casework Costs

a. Plan Parameters

The FY 78/79 AFDC Cost Control Plan will continue to group counties based on caseload size and minimum workload standards will be established. Respective FY 74/75 means and five percent tolerance bands will be utilized for the large, medium, and small county groupings (Attachments I, II, III, IV) to maintain consistency as well as continued flexibility. The means and tolerances for intake reflect the inclusion of intercounty and interprogram transfers.

Counties that maintained or decreased their activity level in FY 75/76 will be funded at their FY 74/75 level unless they are subject to sanctions or plan provisions as specified below under cost control components.

Counties that increased their activity level in FY 75/76 will continue to be funded at their FY 75/76 level providing they are not subject to sanctions or plan provisions as specified below under cost control components.

b. Cost Control Components

(1) Sanctions

Large and medium counties that operated at a level below their respective group's lower tolerance in FY 74/75 and continued to operate below the tolerance in FY 75/76 will be required to maintain a workload per worker at least equal to the lower tolerance. Sanctions will not be applied to the small counties; however, they will be required to maintain at least their FY 74/75 activity level.

(2) Plan Provisions

Any counties operating above the upper tolerance in either FY 74/75 or FY 75/76 will be allowed, upon request, a maximum decrease in activity per worker to the upper tolerance. All requests must be justified on the cost control impact questionnaire.

2. Quality Control Staff

Quality control staff for all counties will be controlled by limiting counties to FY 75/76 staffing levels and the appropriate cost-of-living.

3. First Line Supervisors

FY 75/76 supervisor to eligibility staff ratios will be utilized to control this item.

4. Direct Costs

Due to the amount, (three percent of total) and make-up of expenditures in this item, control in this area is very difficult. Direct costs are therefore controlled by limiting counties to FY 75/76 expenditures and the appropriate cost-of-living.

III. Cost Control for Nonassistance Food Stamps

A. Types of Expenditures

1. Salaries and employee benefits of eligibility workers and their supervisors represent approximately 42 percent of total costs.
2. Salaries and employee benefits of clerical and administrative support staff represent approximately 26 percent of total costs.
3. Operating costs (space, equipment, utilities, EDP, etc.) represent approximately 17 percent of total costs.
4. Direct costs (issuance costs and fraud investigators) represent approximately 15 percent of total costs.

[Controls applied to Items 2 and 3 will be addressed in the support section to follow.]

B. Workload

Total activity per worker - this represents the number of activities (applications disposed plus the number of participating households) for which a NAFS eligibility worker is responsible during the month. Workload standards established for FY 78/79 do not include NAFS supervisors.

C. Specific Cost Control Application

1. Casework Costs

a. Plan Parameters

The NAFS Cost Control Plan for FY 78/79 will utilize a FY 75/76 base for activity per worker standards. Counties will be segregated into large, medium, and small groups

(Attachments V and VI) based on NAFS caseload distribution. Minimum workload standards will be established on group means and a 10 percent tolerance band will be applied to allow county flexibility. Counties will be required to maintain their FY 75/76 activity levels unless they are subject to sanctions or plan provisions as specified below under cost control components.

b. Cost Control Components

(1) Sanctions

Large and medium counties below their respective group's lower tolerance level will be required to increase in workload per worker at least to the lower tolerance level. Small counties will not be sanctioned, however, they will be required to maintain at least their FY 75/76 level.

(2) Plan Provision

Counties above the upper tolerance level for their respective group will be allowed, upon request, a maximum decrease in their activity per worker to the upper tolerance. All requests must be justified on the cost control impact questionnaire.

2. First Line Supervisors

The FY 75/76 supervisor to eligibility staff ratio will be utilized to control this area.

3. Direct Costs

Direct costs (98 percent issuance) will be controlled by limiting counties to FY 75/76 expenditures and the appropriate cost of living. The transference of issuance funds to any other cost area will not be allowed.

IV. Cost Control for Support - AFDC and NAFS

Support controls are applicable to both the AFDC and NAFS programs. Costs included under this area of control are administrative and clerical support staff, and operating costs (space, equipment, utilities, EDP, etc).

A. Specific Cost Control Application

1. Support Costs

a. Plan Parameters

Support will continue to be controlled through the use of the support cost to eligibility staff cost ratio. FY 74/75 means and five percent tolerance bands will be

maintained for large, medium, and small county groupings (Attachments VII and VIII) to allow for consistency as well as continued flexibility. Counties will continue to be grouped based on AFDC caseload distribution. Counties will be funded at their FY 74/75 ratio unless they are subject to sanctions or plan provisions as specified below under cost control components.

b. Cost Control Components

(1) Sanctions

Large and medium counties that operated at a level above their respective groups' upper tolerance in FY 74/75 will be required to reduce their FY 74/75 ratio by 15 percent (a total of 15 percent was previously applied and there will be no additional sanctions). Sanctioned counties will not, however, be required to operate at a level below the upper tolerance. Sanctions will not be applied to the small counties; however, they will be required to maintain at least their FY 74/75 support ratio.

(2) Plan Provisions

Any county operating below the lower tolerance in FY 74/75 will be allowed, upon request, a maximum 15 percent increase in their FY 74/75 ratio or to the lower tolerance whichever percent is less. All requests must be justified on the cost control impact questionnaire.

V. Special Cost Control Provisions - AFDC and NAFS

The following provisions will apply to both the AFDC and NAFS programs.

A. Cost-of-Living Provisions

There will be no cost-of-living adjustments for salaries as mandated by SB 154, Chapter 292/1978, but benefits will be covered subject to funding availability. There will be a six percent increase granted for nonsalaried support areas based on the Consumer Price Index available at the time of the cost control budgeting period. Cost-of-living questionnaires will be transmitted for future budgeting purposes. As required by the Budget Act, any county having an increase in excess of six percent for staff must include a written explanation on the Department of Social Services' cost-of-living questionnaire.

B. Activity Growth Provisions

The amount of activity growth a county may realize during a year is uncontrollable. This plan therefore provides for funding

adjustments relative to activity increases. Conversely, any activity decreases should result in cost savings. Appropriate increases or decreases will be made to each cost area based upon the activity relative to that area. Since the budget is prepared prior to the availability of actual growth data, the department will request additional funding from the legislature, if necessary.

C. Cost Control Budgeting System (Estimating and Budgeting System)

A cost control budgeting system was developed to implement plan provisions included herein. Additionally, to assure program needs were maintained, special considerations (whether increases or decreases) were made based upon the needs expressed in individual county cost control impact questionnaires. Any consideration granted which was outside specific plan provisions was reviewed and decided upon by the appropriate fiscal and program staff of this Department.

D. Transferability of Funds

With the exception of Food Stamp issuance funds, counties will continue to have the flexibility to transfer funds from one cost area to another within their respective NAFS and AFDC allocations. Transference of funds between AFDC and NAFS will not be allowed. Issuance funds will be allocated separately and the transferring of these funds to another cost area will not be allowed.

E. Merit Salary Adjustments

Within funding constraints one percent per year will be provided for merit salary adjustments where appropriate.

## AFDC INTAKE

(Revised to include intercounty transfers and interprogram transfers)

## LARGE COUNTIES

	<u>74/75</u>	74/75 Means and 5% <u>Tolerance Bands</u>	<u>75/76 Level</u>	1/ 78/79 <u>Targets</u>
San Diego	15.17		16.21	21.91
Alameda	15.20		19.51	21.91
Fresno	17.86		15.98	21.91
Contra Costa	20.18		22.58	22.58
Orange	21.35		22.11	22.11
		21.91		
MEAN		23.06		
Los Angeles	23.79		20.36	23.79
San Francisco	23.98		20.08	23.98
		24.21		
Riverside	26.14		28.55	28.55
Sacramento	26.93		28.26	28.26
Santa Clara	30.16		28.62	30.16
San Bernardino	32.85		29.27	32.85

## MEDIUM COUNTIES

Kern	14.00		19.22	23.66
San Joaquin	19.30		23.22	23.66
San Mateo	19.40		23.77	23.77
Humboldt	20.98		19.13	23.66
Sonoma	21.11		22.24	23.66
Santa Barbara	21.40		22.18	23.66
Santa Cruz	22.67		22.63	23.66
Merced	23.41		28.04	28.04
		23.66		
MEAN		24.91		
		26.16		
Stanislaus	27.97		25.79	27.97
Ventura	29.66		34.32	34.32
Tulare	30.44		30.09	30.44
Butte	30.65		26.32	30.65
Monterey	32.54		28.06	32.54
Solano	35.18		28.74	35.18

1/ These targets reflect county base levels prior to the application of plan provisions.



## AFDC INTAKE

## SMALL COUNTIES

(Revised to include intercounty transfers and interprogram transfers)

	<u>74/75</u>	<u>74/75</u> Mean and 5% Tolerance Band	<u>75/76 Level</u>	<u>78/79</u> <sup>1/</sup> Targets
Alpine	2.81		10.00	10.00
Siskiyou	13.08		14.72	14.72
Colusa	15.27		14.94	15.27
Mariposa	16.42		38.68	38.68
Marin	16.82		19.08	19.08
Mono	16.90		94.74	94.74
Sierra	18.06		17.14	18.06
Napa	18.19		23.21	23.21
San Luis Obispo	20.63		19.61	20.63
Sutter	20.65		19.32	20.65
Shasta	20.67		18.91	20.67
Amador	22.17		24.71	24.71
Madera	22.49		19.09	22.49
Inyo	22.98		20.89	22.98
Lassen	23.12		18.62	23.12
Glenn	23.46		22.64	23.46
Lake	23.83		22.80	23.83
Modoc	24.67		40.16	40.16
Kings	25.56		25.75	25.75
Nevada	26.57		21.86	26.57
Calaveras	28.12		37.57	37.57
		28.64		
Yolo	29.12		26.21	29.12
Yuba	29.46		30.67	30.67
MEAN		30.15		
Tehama	31.25		30.46	31.25
Plumas	31.58		28.53	31.58
		31.66		
Mendocino	32.70		30.19	32.70
San Benito	37.23		22.96	37.23
Placer	38.16		28.80	38.16
Imperial	41.44		37.21	41.44
Tuolumne	47.88		27.52	47.88
Trinity	50.00		77.95	77.95
Del Norte	64.60		46.08	64.60
El Dorado	67.21		33.47	67.21

<sup>1/</sup> These targets reflect county base levels prior to the application of plan provisions.

## AFDC - CONTINUING

## LARGE COUNTIES

	<u>74/75</u>	<u>74/75</u> Means and 5% Tolerance Bands	<u>75/76 Level</u>	<u>78/79</u> <sup>1/</sup> Targets
Contra Costa	95.61		88.64	108.15
San Diego	96.77		94.65	108.15
Los Angeles	102.54		120.46	120.46
Orange	104.03		104.26	108.15
		108.15		
San Francisco	111.25		125.57	125.57
Alameda	112.70		114.27	114.27
MEAN		113.84		
Fresno	115.85		129.88	129.88
		119.53		
Santa Clara	125.16		99.79	125.16
Riverside	125.64		130.28	130.28
San Bernardino	127.82		144.78	144.78
Sacramento	134.92		136.49	136.49

## MEDIUM COUNTIES

Kern	91.15		82.46	106.51
Merced	91.31		96.59	106.51
Tulare	95.37		101.23	106.51
Humboldt	96.19		99.39	106.51
Solano	103.50		120.42	120.42
		106.51		
San Mateo	107.21		101.26	107.21
Santa Barbara	110.71		119.13	119.13
MEAN		112.12		
Butte	116.04		117.58	117.58
San Joaquin	116.28		111.65	116.28
		117.73		
Monterey	118.49		135.32	135.32
Stanislaus	119.41		115.88	119.41
Santa Cruz	129.61		146.64	146.64
Sonoma	130.99		138.42	138.42
Ventura	143.47		143.33	143.47

<sup>1/</sup> These targets reflect county base levels prior to the application of plan provisions.

## AFDC CONTINUING

## SMALL COUNTIES

	<u>74/75</u>	<u>74/75</u> Mean and 5% <u>Tolerance Band</u>	<u>75/76 Level</u>	<u>78/79</u> <u>Targets</u> <sup>1/</sup>
Sierra	35.56		32.61	35.56
Alpine	56.00		49.20	56.00
Colusa	73.62		75.57	75.57
Sutter	75.24		79.69	79.69
Lassen	80.06		93.47	93.47
Napa	80.87		80.01	80.87
Marin	80.92		78.80	80.92
Del Norte	82.41		113.16	113.16
Plumas	85.26		79.47	85.26
Mariposa	85.66		95.17	95.17
Shasta	88.95		103.62	103.62
Tehama	90.36		119.08	119.08
Kings	91.38		99.72	99.72
Nevada	92.72		99.51	99.51
Madera	94.80		96.03	96.03
Siskiyou	94.92		84.18	94.92
Yuba	98.09		89.42	98.09
San Luis Obispo	108.19		122.70	122.70
El Dorado	108.32		118.43	118.43
Modoc	109.07		104.36	109.07
		110.86		
Placer	115.88		129.86	129.86
MEAN		116.69		
Tuolumne	117.36		147.95	147.95
Inyo	118.45		88.54	118.45
Lake	121.44		124.73	124.73
		122.52		
San Benito	128.53		153.21	153.21
Imperial	129.73		106.41	129.73
Mendocino	131.48		147.95	147.95
Glenn	136.95		129.00	136.95
Mono	160.98		114.10	160.98
Yolo	161.52		183.20	183.20
Amador	170.19		104.79	170.19
Calaveras	233.49		163.48	233.49
Trinity	276.22		200.81	276.22

<sup>1/</sup> These targets reflect county base levels prior to the application of plan provisions.

## NAFS TOTAL ACTIVITY

## LARGE COUNTIES

	<u>75/76</u>	<u>75/76</u> Means and 10% Tolerance Bands	<u>78/79</u> <sup>1/</sup> <u>Targets</u>
Riverside	116.52		152.53
Fresno	119.45		152.53
Los Angeles	120.68		152.53
Orange	136.37		152.53
		152.53	
San Diego	152.95		152.95
Alameda	159.55		159.55
Contra Costa	166.13		166.13
MEAN		169.48	
		186.43	
Sacramento	189.22		189.22
Santa Clara	189.85		189.85
San Bernardino	229.99		229.99
San Francisco	283.59		283.59

## MEDIUM COUNTIES

Merced	97.32		146.23
Kern	100.81		146.23
San Joaquin	104.37		146.23
Santa Barbara	116.17		146.23
Sonoma	123.67		146.23
Humboldt	136.89		146.23
Ventura	141.54		146.23
		146.23	
San Mateo	152.15		152.15
El Dorado	153.64		153.64
Yuba	155.19		155.19
MEAN		162.48	
Monterey	164.55		164.55
Placer	170.52		170.52
Solano	172.31		172.31
Shasta	176.67		176.67
		178.73	
Mendocino	180.19		180.19
San Luis Obispo	183.67		183.67
Tulare	189.96		189.96
Stanislaus	191.67		191.67
Marin	197.69		197.69
Santa Cruz	199.66		199.66
Butte	201.36		201.36
Yolo	264.66		264.66

<sup>1/</sup> These targets reflect county base levels prior to the application of plan provisions.

## NAFS TOTAL ACTIVITY

## SMALL COUNTIES

	<u>75/76</u>	75/76 Mean and 10% <u>Tolerance Band</u>	<u>78/79</u> <u>Targets</u>
Alpine	50.00		50.00
Colusa	64.87		64.87
Sierra	69.69		69.69
Amador	87.72		87.72
Lassen	99.53		99.53
Kings	109.46		109.46
Nevada	109.98		109.98
Del Norte	113.95		113.95
Plumas	120.13		120.13
Napa	123.23		123.23
Sutter	135.41		135.41
Glenn	143.78		143.78
		146.72	
MEAN		163.02	
Tehama	164.59		164.59
Madera	166.51		166.51
Siskiyou	167.10		167.10
Mariposa	168.91		168.91
		179.32	
Lake	185.82		185.82
Imperial	186.82		186.82
Inyo	199.66		199.66
Modoc	218.60		218.60
San Benito	221.89		221.89
Tuolumne	274.53		274.53
Mono	276.82		276.82
Trinity	290.21		290.21
Calaveras	295.28		295.28

1/ These targets reflect county base levels prior to the application of plan provisions.

## SUPPORT COSTS/EW STAFF COSTS

## ALL PROGRAMS

## LARGE COUNTIES

	<u>74/75</u>	<u>74/75 Means and 5% Tolerance Bands</u>	<u>78/79 <sup>1/</sup> Targets</u>
Los Angeles	1.31		1.11
Contra Costa	1.02		.90
Riverside	.98		.90
Alameda	.96		.90
Santa Clara	.94		.90
		.90	
San Bernardino	.88		.88
MEAN		.86	
		.82	
Sacramento	.76		.76
San Francisco	.74		.74
Fresno	.73		.73
Orange	.69		.69
San Diego	.53		.53

## MEDIUM COUNTIES

Ventura	1.16		.99
Santa Cruz	1.13		.96
Merced	1.07		.96
Solano	1.01		.96
		.96	
San Mateo	.95		.95
MEAN		.91	
Tulare	.87		.87
Stanislaus	.86	.86	.86
Humboldt	.85		.85
Kern	.85		.85
San Joaquin	.84		.84
Santa Barbara	.84		.84
Butte	.84		.84
Monterey	.81		.81
Sonoma	.78		.78

1/ These targets reflect county base levels prior to the application of plan provisions.

## SUPPORT COSTS/EW STAFF COSTS

## ALL PROGRAMS

## SMALL COUNTIES

	<u>74/75</u>	74/75 Mean and 5% <u>Tolerance Bands</u>	<u>78/79</u> <u>Targets</u> <sup>1/</sup>
Sierra	13.04		13.04
Alpine	2.78		2.78
Lake	2.08		2.08
Imperial	1.92		1.92
Trinity	1.89		1.89
Plumas	1.84		1.84
Mono	1.82		1.82
Modoc	1.56		1.56
Mariposa	1.49		1.49
Sutter	1.36		1.36
Tuolumne	1.29		1.29
El Dorado	1.28		1.28
Napa	1.21		1.21
		1.19	
MEAN		1.13	
San Benito	1.08		1.08
Tehama	1.07		1.07
Del Norte	1.07		1.07
		1.07	
Colusa	1.05		1.05
Glenn	1.04		1.04
Kings	1.04		1.04
Madera	1.02		1.02
Calaveras	1.01		1.01
Yolo	.98		.98
Shasta	.97		.97
Mendocino	.96		.96
San Luis Obispo	.96		.96
Siskiyou	.96		.96
Placer	.93		.93
Marin	.88		.88
Amador	.88		.88
Inyo	.73		.73
Lassen	.72		.72
Yuba	.72		.72
Nevada	.71		.71

<sup>1/</sup> These targets reflect county base levels prior to the application of plan provisions.

FY 78/79 COST CONTROL PLAN  
WORKLOAD SOURCE

## AFDC

1. Statistical data
  - a. Intake
    1. Applications disposed - CA 237 FG/U Line 4, Lines 7c and 7d1 (Cols 1 and 2) plus CA 237 BHI Lines 7a through 7d.
  - b. Continuing
    1. Continuing cases - CA 237 FG/U Line 8 (Cols 1 & 2) plus CA 237 BHI Line 8
2. EW Staff Data
  - a. Intake EWs - DFA 327.7A, Part 2, Line A1 (ew), Column 5
  - b. Continuing EWs - DFA 327.7A, Part 2, Line A2 (ew), Column 5

## NAFS

1. Statistical data
  - a. Total Activity
    1. Applications disposed - DFA 296 (Revised), Part A, Line 4b plus Part B, Line 7a, Column 2.
    2. NA participating households - FNS 256, Line 1a, Column b (previously footnoted. GR should be included in this line item).
2. EW Staff Data
  - a. Total EWs - DFA 327.7A, Part 4, Lines F1 and F2 (ew), Column 5.

## SUPPORT - AFDC AND NAFS

1. Support Cost to EW Staff Cost Ratio
  - a. DFA 327.2 (Col. 4 and Col. 5) + Col. 3

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